

Goods & Service Tax

“Time of Supply”

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Five Pillars of GST Law

Liability to Pay- Sec.9



Time of Supply- Sec12 & 13



Place of Supply- IGST Act, 2017
Sec.10 -14



Value of Taxable Supply- Sec.15



Input Tax Credit- Sec.16-21

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Time of Supply Section-12 & 13

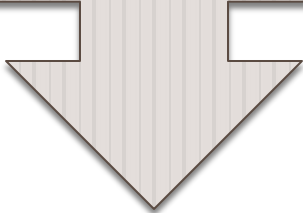
Sec-12

- Time of Supply of “**Goods**”

Sec-13

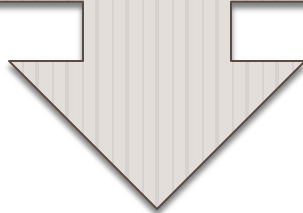
- Time of Supply of “**Services**”

What is the **meaning** of
“Time of supply”?



Time of supply is the time at which the liability accrues (not due date of payment).

What is the **relevance** of
“Time of supply”?



If the Time of supply has not been arrived then the person is not liable to pay taxes.

Existing Laws- Time/Point of Taxation

Central
Excise

- Payment of duty at the time of removal of goods (Sec.3, 3A, 4 & 4A)

Service
Tax

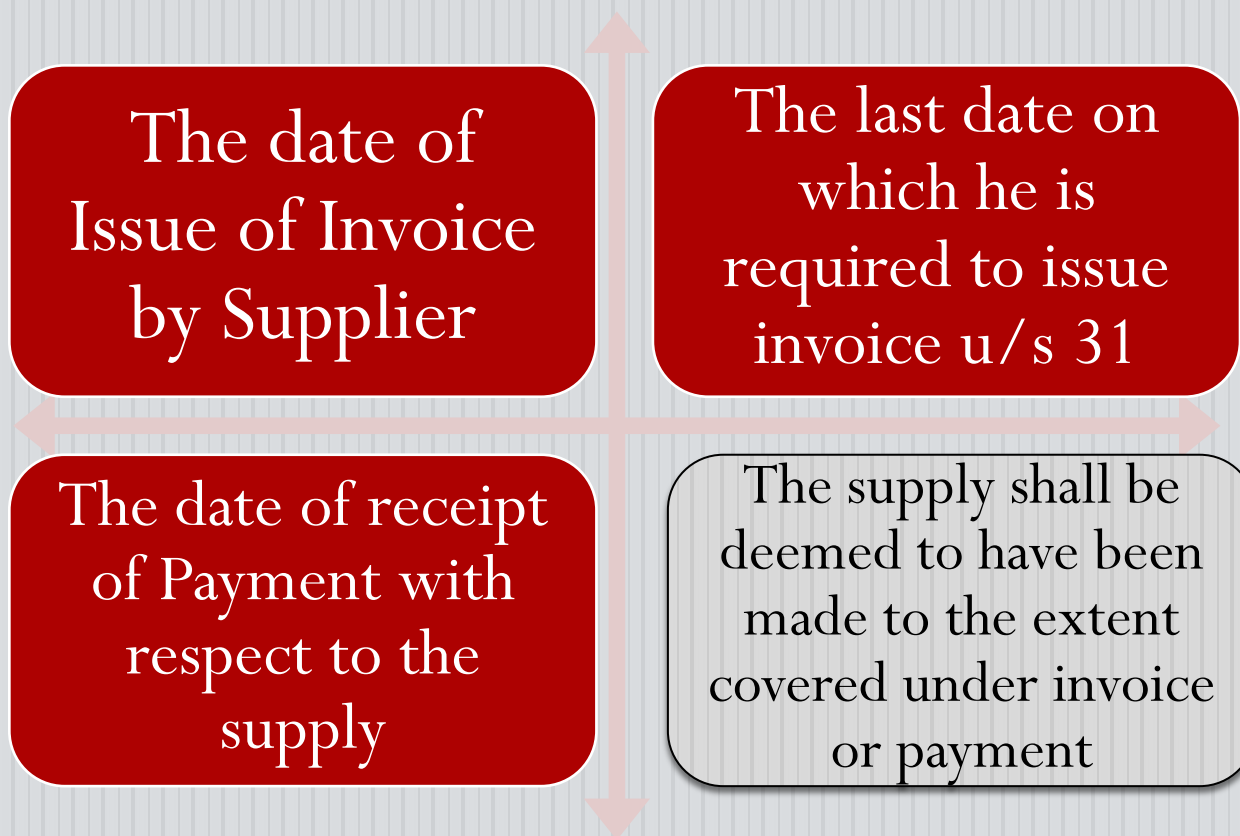
- Issue of Invoice for services provided or to be provided OR receipt of payment, whichever is earlier. (Point of Taxation Rules-2011)

VAT

- At the time of transfer of property in Goods. Conditions of Sale to be fulfilled.

Time of Supply of “GOODS”- Sec.12

- Time of Supply of Goods shall be earliest of following dates:-



What is the last date on which invoice is required to be issued under GST for supply of good?

Before or at the time of

**Where supply involves
movement of goods**

Removal of goods
(Dispatch by supplier or collection
by recipient)

**Where supply does not
involve movement of goods**

Delivery or making available of
goods

Examples

Issue of Invoice

Last date for issue
of invoice

Date of receipt of
payment

Time of supply

01/01/2018

01/01/2018

05/01/2018

01/01/2018

01/01/2018

01/12/2017

05/01/2018

01/12/2017

01/01/2018

01/01/2018

15/12/2017

15/12/2017

Time of Supply of “GOODS”- Sec.12

When GST is Liabile to be paid on “Reverse Charge”-Earliest of these three events.

Date of
receipt of
Goods

**Date on
which
payment is
made**

The date
immediately
following 30
days from issue
of invoice

where it is not possible to determine the time of supply as per above, the time of supply shall be the date of entry in the books of account of the recipient

Time of Supply of “GOODS”- Sec.12

In case of supply of vouchers, by whatever name called, by a supplier, the time of supply shall be-

the date of issue of voucher, if the supply is identifiable at that point; or

the date of redemption of voucher, in all other cases

Time of Supply of “GOODS”- Sec.12

If “Time of Supply” is not possible to be determined under forgoing provisions-

If periodic return to be filed- the due date of filing return

In any other case- the date on which GST is paid

Time of Supply of “SERVICES” - Sec.13 (Earliest of following)

The date of
issue of
invoice by
the supplier

The last date
on which he
is required
to issue the
invoice u/s
31

The date on
which the
supplier
receives the
payment

Time of Supply of “Services”- Sec.13

When GST is Liabile to be paid on “Reverse Charge”-Earliest of these two events.

Date on
which
payment
is made

The date
immediately
following 60
days from issue
of invoice

where it is not possible to determine the time of supply as per above, the time of supply shall be the date of entry in the books of account of the recipient

Time of Supply of “Services”- Sec.13

- in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier

Time of Supply of “Services”- Sec.13

In case of supply of vouchers, by whatever name called, by a supplier, the time of supply shall be-

the date of issue of voucher, if the supply is identifiable at that point; or

the date of redemption of voucher, in all other cases

Time of Supply of “SERVICES”- Sec.13

If “Time of Supply” is not possible to be determined under forgoing provisions-



If periodic return to be filed- the due date of filing return



In any other case- the date on which GST is paid

Change in Rate of Tax- Supply of Goods or Services (Sec.14)

Where the Goods or Service have been supplied before the change in rate of tax

Where Invoice Issued and Payment also received after change in Rate

Date of receipt of payment OR Date of Invoice, whichever is earlier.

Where Invoice Issued Prior to change in rate and Payment is received after change in rate

Date of Invoice

Where Payment is received Prior to change in rate and Invoice is issued after change in rate

Date of receipt of payment

Change in Rate of Tax- Supply of Goods or Services (Sec.14)

Where the Goods or Service have been supplied after the change in rate of tax

Where Payment is received after change in Rate, but Invoice issued prior to change in Rate

Date of receipt of payment

Where Invoice Issued Prior to change in rate and Payment is also received prior to change in rate

Date of Invoice or receipt of payment, whichever is earlier

Where Payment is received Prior to change in rate and Invoice is issued after change in rate

Date of issue of Invoice

Change in Rate of Tax- Supply of Services (Sec.14)

- the date of receipt of payment”
- shall be the date on which the payment is entered in the books of account of the supplier
- or the date on which the payment is credited to his bank account,
- whichever is earlier

Illustration 1: Time of Supply of Goods



Distributor



Removal of Goods on 12.02.2018



Shop

Involves Movement of Goods

Invoice to be issued on or before 12.02.2018

50% → Advance received on 29.01.2018

Invoice for full value raised on 12.02.2018

Date of Invoice	Date of Receipt of Payment	Time of Supply
-no-	29.01.18	29.01.18

Date of Invoice	Date of Receipt of Payment	Time of Supply
12.02.18	Bal 50% on 01.03.18	12.02.18 – Bal 50%
-Not Raised-	Bal 50% on 01.03.18	12.02.18 – Bal 50%

Illustration 2: Time of Supply of Services



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Supply of opinion on 10.03.18



Company

Invoice to be issued on or before 09.04.18

50% → Advance received on 30.12.2017

Invoice for full value raised on 30.03.2018

Date of Invoice	Date of Payment	Time of Supply
-no-	30.12.17	30.12.17 – part 50%

Date of Invoice	Date of Payment	Time of Supply
30.03.18	Bal 50% on 05.05.18	30.03.18 – Bal 50%
-Not Raised-	-Not Received-	09.04.18 – Bal 50%

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Case Study - Determine TOS in RCM cases – Goods

Date of receipt of Goods	Date of payment by Recipient	Date of issue of invoice by supplier	Date immediately following 30 days from Date of invoice	Time of supply
July 1	August 10	June 29	July 30	July 1
July 1	June 25	June 29	July 30	June 25
July 1	Part payment made on June 30 and balance amount on July 20	June 29	July 30	June 30 for part payment made and July 1 for balance amount
July 5	Payment is entered in the books on June 28 and debited in recipient's bank account on June 30	June 1	July 2	June 28 (i.e. When payment is entered in the books of the recipient)
July 1	Payment is entered in the books on June 30 and debited in recipient's bank account on June 26	June 29	July 30	June 26 (i.e. When payment is debited in the recipient's bank account)

Case Study – Determine TOS in RCM cases – Services

Date of payment by Recipient	Date of issue of invoice by supplier	Date immediately following 60 days from invoice	Time of supply
August 10	June 29	August 29	August 10
August 10	June 1	August 1	August 1
Part payment made on June 30 and balance amount on September 1	June 29	August 29	June 30 for part payment made and August 29 for balance amount
Payment is entered in the books on June 28 and debited in recipient's bank account on June 30	June 1	August 1	June 28 (i.e when payment is entered in the books of recipient)
Payment is entered in the books on June 30 and debited in recipient's bank account on June 26	June 29	August 28	June 26 (i.e when payment is debited in the recipient's bank account)

Thank You

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